

INVESTMENT POLICY SUMMARY

The fund tracks the performance of its benchmark, the FTSE/JSE All Bond Index. The fund is rebalanced monthly. The fund will invest in a basket of permitted government and corporate fixed-interest securities. The aim is to track the FTSE/JSE All Bond Index. By investing in a passive vehicle, the returns to investment strategies are known. By applying a full replication strategy, the fund will mirror the composition of the chosen benchmark. In order to reduce costs and minimise tracking error, Satrix Bond Index Fund engages in scrip lending activities.

WHY CHOOSE THIS FUND?

- *If you seek general market performance through a well-diversified bond portfolio at low cost.
- *If you seek a core component for the bond portion of your portfolio.
- *If you who prefer to take a longer term view when building wealth.
- *If you are cost conscious.

FUND INFORMATION

ASISA Fund Classification	SA - Interest Bearing - Variable Term
Risk profile	Cautious
Benchmark	FTSE/JSE All Bond Index
Portfolio launch date	Dec 2008
Fee class launch date	Apr 2014
Minimum investment	Manual: Lump sum: R10 000 Monthly: R500 SatrixNOW.co.za: No minimum
Portfolio size	R6.6 billion
Last two distributions	30 Jun 2025: 46.00 cpu 31 Dec 2024: 47.05 cpu
Income decl. dates	30 Jun 31 Dec
Income price dates	1st working day in July and January
Valuation time of fund	17:00
Transaction cut off time	Manual: 15:00 SatrixNOW.co.za: 13:30
Daily price information	www.satrix.co.za
Repurchase period	T+3

TOP 10 HOLDINGS

Securities	% of Portfolio
Republic Of South Africa 8.75% 280248	11.73
Republic Of South Africa 8.875% 28022035	11.14
Republic Of South Africa 8.00% 31012030	10.89
Republic Of South Africa 8.25% 31032032	10.65
Republic Of South Africa 10.50% 211226	10.14
Republic Of South Africa 8.50% 31012037	9.80
Republic Of South Africa 9.00% 31012040	8.58
Republic Of South Africa 8.75% 31012044	7.85
Republic Of South Africa 7.00% 280231	6.38
Republic Of South Africa 11.625% 31032053	3.11

as at 30 Sep 2025

PERFORMANCE (ANNUALISED)

A1-Class	Fund (%)	Benchmark (%)
1 year	13.87	14.51
3 year	15.07	15.70
5 year	11.45	12.07
10 year	9.18	9.79

Annualized return is the weighted average compound growth rate over the period measured.

ACTUAL HIGHEST AND LOWEST ANNUAL RETURNS*

Highest Annual %	25.46
Lowest Annual %	0.98

FEES (INCL. VAT)

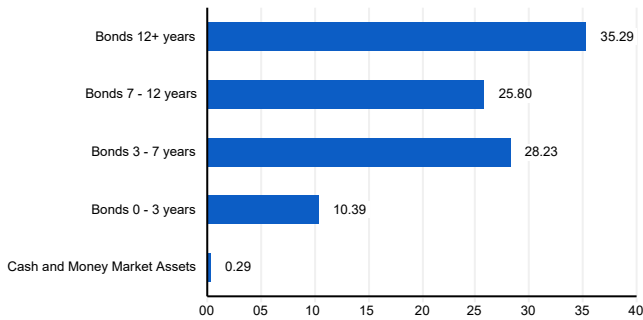
	A1-Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.15
Manager annual fee	0.52
Total Expense Ratio (TER)	0.49
Transaction Cost (TC)	0.01

Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

Total Expense Ratio (TER) | The Total Expense Ratio (TER) is the charges incurred by the portfolio, for the payment of services rendered in the administration of the CIS. The TER is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years on an annualised basis. The Transaction Cost (TC) is the cost incurred by the portfolio in the buying and selling of underlying assets. This is expressed as a percentage of the daily NAV of the CIS and calculated over a period of 3 years on an annualised basis.

The current TER/TC cannot be regarded as an indication of future TER and TC. A higher TER and TC does not imply a poor return nor does a low TER and TC imply a good return. Obtain the costs of an investment prior to investing by using the EAC calculator provided at satrix.co.za.

ASSET ALLOCATION



PORTFOLIO QUARTERLY COMMENTARY - 30 SEP 2025

After a 90-day reprieve and a failure to negotiate trade deals with all its trade partners, the Trump administration implemented trade tariffs in August. Brazil and India have been dealt very heavy blows with tariffs of 50%, while South African goods exported to the US will face a 30% tariff. The US Federal Reserve (Fed) delivered its first rate cut of the cycle in September, reducing the benchmark rate by 25 bps, which supported global risk sentiment. This easing was supported by signs of softening in the labour market.

In South Africa, the bond market benefited from a supportive macro backdrop of low inflation and improving terms of trade. The South African Reserve Bank (SARB) held the repo rate steady at 7.00% during its September meeting, following a 25-bps cut in July. The July Monetary Policy Committee (MPC) meeting was particularly impactful: the SARB not only lowered the repo rate but also signalled a shift in its inflation targeting framework, moving towards anchoring inflation at the bottom of the 3-6% range. This dovish pivot was well received by markets, with bond yields falling and expectations for further easing increasing. The SARB's quarterly projections in July were cause for much debate as they showed inflation forecasts that were more than 1% lower compared to the May 2025 projections and a repo forecast for end-2026 of just 5.98%. The forecasts were tempered somewhat in the September MPC statement.

South Africa also benefited from a surge in capital flows into emerging markets (EMs). As global investors diversified away from US dollar assets and sought higher real yields, EM debt—particularly local currency bonds—saw renewed inflows. These flows were driven by high real yields supported by low inflation, a stronger rand, which has appreciated 7% year-to-date, a credible monetary policy, and the SARB's commitment to a lower inflation target. National Treasury data showed that foreign holdings of South African bonds decreased by R6.6 billion in July but rebounded strongly with increases of R33.7 billion in August and R76.5 billion in September, reflecting renewed investor confidence.

The FTSE/JSE All Bond Index (ALBI) posted a solid return of 6.94% for the quarter, as yields fell across the curve. The South African 10-year government bond yield declined from around 9.95% at the end of June to 9.16% in September. Inflation-linked bonds (ILBs) recovered some lost ground, with the FTSE/JSE Inflation-Linked Index (CILI) returning 5.11% for the quarter. Demand for inflation protection remained muted and due to the benign inflation outlook and the SARB's lower target trajectory, breakeven inflation has collapsed.

Bond Market Outlook

Pricing from the Fed funds futures shows the market is expecting two more rates cuts by year-end, in line with the Fed's dot plot, which projects the federal funds rate at 3.61% for end of 2025. However, the various Fed governors have sounded more cautious in their speeches, pointing to still elevated inflation. Fed Chair Powell described the current policy as 'modestly restrictive'. Should the Federal Open Market Committee (FOMC) cut rates at its October meeting and the rand remain at its current levels of around R17.30 to the US dollar, this will increase the chance of a rate cut by the SARB at its November meeting. Currently, the market is projecting an unchanged policy stance.

The focus in 4Q25 shifts to fiscal policy with the Medium-Term Budget Policy Statement due to be presented on 12 November. Five months into the fiscal year, revenue and expenditure figures are pointing to slight positive surprises. Funding has been particularly strong as non-competitive bids from the weekly auctions and demand for National Treasury's floating rate bonds have been robust. There is growing speculation that Treasury could announce a reduction in funding requirements going forward, which would obviously be supportive of bonds.

Fixed-income returns year-to-date have outperformed our expectations set out at the beginning of the year, as the inflation risk premium embedded in the yield curve has reduced. The Financial Action Task Force (FATF) is expected to remove South Africa from its greylist in October, which would add to the positive sentiment towards the country.
Issue Date: 21 Oct 2025

RISK PROFILE (CAUTIOUS)

This fund aims to provide stable income in conjunction with fluctuating capital values. It aims to provide a high level of income in excess of cash returns over the medium term. This fund is designed to track the bond benchmark and has a medium-term investment horizon.

CONTACT DETAILS

Manager

Satrix Managers (RF) Pty Ltd (Reg. No. 2004/009205/07). 4th Floor, Building 2, 11 Alice Lane, Sandown, 2146.

Investment Manager

The management of investments are outsourced to Satrix, a division of Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Trustee

Standard Chartered Bank, Tel No.: 011 217 6600, E-mail: southafrica.securities-services@sc.com

DISCLAIMER

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*The highest and lowest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Satrix Managers (RF) (Pty) Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Chartered Bank is the appointed trustee of the Satrix Managers Scheme.

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are subject to tax penalties.